

**Agenda Item: D.2**

Request for Decision

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| **Title** | **Request for Council Decision on Cancellation of Property Tax Penalties, Weed Control Costs and Penalties, and Utility Costs** |
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| **Proposed Motion** | 1. That Council refuse the request to cancel 2020 property tax penalties for Tax Rolls 3710008, 3710009, 3710017, 3710019, 3710024, 3710027, 3710028, 3710030, 3710031, 3710032, 3710033, 3710039, 3910042, 3710043, 3710045, 3710048, 3710049, and 3710050. 2. That Council refuse the request to cancel weed control costs and penalties from Tax Rolls 3710015, 3710017, 3710019, 3710024, 3710027, 3710028, 3710030, 3710031, 3710032, 3710033, 3710039, 3710042, 3710043, 3710045, 3710048, 3710049, and 3710050. 3. That Council refuse the request to cancel utility costs transferred to Tax Roll 3710018. |
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| **Administrative**  **Recommendation** | Administration recommends that Council refuse requests to cancel property tax penalties, weed controls costs and penalties, and utility costs as outlined in this Request for Decision. |
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| **Previous Council Direction** | February 9, 2021 Regular Council Meeting  Motion 062/21: That Council refer the presentation from Van Vuong and Emma Zhou to Administration to present information and a recommendation at a future Council meeting.  July 9, 2019 Regular Council Meeting  Motion 280/19: That Council refuse the request to cancel tax arrears in the amount of $5,136.40 for Roll #3710018, resulting from an outstanding water and sewer bill. |
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| **Report** | Background Information  **1250314 Alberta Ltd. - 2020 Property Tax Penalties**   * In accordance with Bylaw 1422/18, the Tax Penalty Bylaw, Sturgeon County municipal taxes are due on the last business day of June of each year. * Bylaw 1498/20, the 2020 Tax Penalty Bylaw Amendment for COVID-19, extended the date for the application of property tax penalties in 2020 to August 31, 2020. * Payments for 2020 were required to be postmarked on or before August 31, 2020 or received at Sturgeon County Centre before the end of business (4:30 p.m.) on August 31, 2020 to avoid penalty charges. * 1250314 Alberta Ltd. is the listed tax account owner of 19 accounts in which 16 had prior year balances still outstanding at the time of the 2020 annual tax levy. * On August 31, 2020, 1 of the 19 accounts had been paid in full, leaving eighteen with prior year tax arrears and/or a portion of the current tax levy outstanding. * On September 1, 2020, the property tax penalty total for 1250314 Alberta Ltd. was $1,426. * On September 9, 2020, 1250314 Alberta Ltd. made payments on 18 of their tax accounts in the amounts levied for 2020. Payments are first applied to prior year tax arrears and the remainder, if applicable, to the current year tax levy. The payment did not clear past arrears; therefore, a penalty would be imposed at the next date per the 2020 Tax Penalty Bylaw Amendment for COVID-19. * On October 1, 2020, the property tax penalty total for 1250314 Alberta Ltd. was $895.74.   **Weed Enforcement Costs & Penalties – Transferred to Property Tax Rolls**   * Sturgeon County has the ability to issue a weed notice under the provincial *Weed Control Act*, directing landowners or occupants to control weeds on their property. If a notice is disregarded, then Sturgeon County may enforce the notice at the expense of the landowner. * The initial bill for weed control from 2013 was $3,628.79. Due to the lack of payment, the total bill with interest and penalties now stands at $14,902.96. * On June 26, 2013, a Weed Notice letter was sent to the property owner stating that, “While an inspector was in the area, **Canada Thistle & Scentless Chamomile**were found growing on the property.” (emphasis added) These are noxious weeds which the County is required to control.   **2020 Past Due Utility Charges – Transferred to Property Tax Roll**   * In August 2018, Administration and the property owner were in review of utility account 44003.010 regarding high consumption concerns in which technicians visited the property to perform an inspection in which they found two toilets running. * In October 2018, Administration informed Mr. Vuong about high water consumption in which he confirmed the toilets were fixed. Additionally, in October 2018, Administration received a letter from a tenant at the property, who indicated high mould issues due to extensive leaks within the home, and also received an “executive order” from Alberta Health Services, to have the tenant vacate the property immediately. * In April 2019, the property owner presented to Council a request to cancel his outstanding utility charges, as transferred to the tax account, in the amount of $4,590.63 (plus 12% interest penalty). Council considered this request and at the July 9, 2019 Council meeting passed a motion refusing the request. * On February 27, 2020, Administration once again noticed high water consumption from the property owner for utility account 44003.010**.** Consumption between January and February of last year amounted to 898 cubic metres of water and a bill of $5,467.44. * Administration contacted the property owner immediately, where he indicated that he had another toilet leak. * The ratepayer’s outstanding utility fees were transferred to property taxes on December 31, 2020. At present, the ratepayer owes $12,579.78 under Tax Roll #3710018.   Relevant Policy/Legislation/Practices:   * Section 344 of the MGA provides for Council to impose a penalty for non-payment of taxes in the current year. * Section 347(1) of the MGA states that Council may, if it considers it equitable to do so, cancel or reduce tax arrears. * 2021 Fees & Charges Bylaw * Bylaw 1422/18 - Penalties on Unpaid Municipal Taxes Bylaw * Bylaw 1498/20 – 2020 Tax Penalty Bylaw Amendment for COVID-19 * Waterworks Bylaw 932/02 |
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| **Implication of Administrative Recommendation** | Strategic Alignment:  **Strong Local Governance and Regional Leadership** – The imposition of a penalty on taxes owed is consistent with legislation, policies and procedures and supports Goal 3.2 – *Sturgeon County is financially stable and fiscally responsible.*  Organizational:  Administration will issue a letter informing the the property owner of Council’s decision.  Financial:  None. |
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| **Alternatives Considered** | 1. That Council approve the request to cancel 2020 property tax penalties for 1250314 Alberta Ltd. tax rolls 3710008, 3710009, 3710017, 3710019, 3710024, 3710027, 3710028, 3710030, 3710031, 3710032, 3710033, 3710039, 3710042, 3710043, 3710045, 3710048, 3710049, and 3710050 in the amount of $2,321.75 to be funded from the General Operating Reserve. 2. That Council approve the request to cancel weed control costs and penalties from tax rolls 3710015, 3710017, 3710019, 3710024, 3710027, 3710028, 3710030, 3710031, 3710032, 3710033, 3710039, 3710042, 3710043, 3710045, 3710048, 3710049, and 3710050 in the amount of $14,902.96 to be funded from the General Operating Reserve. 3. That Council approve the request to cancel utility charges transferred to Tax Roll 3710018 in the amount of $5,467.44 to be funded from the General Operating Reserve. |
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| **Implications of Alternatives** | Strategic Alignment:  A decision to cancel tax arrears would be inconsistent with Goal 3.2 – *Sturgeon County is financially stable and fiscally responsible.*  Organizational:  If tax arrears are cancelled by Council, Administration would remove the penalty from the tax account and issue a letter informing the property owner of Council’s decision.  Financial:  These adjustments alone are not material but must be deemed equitable to Council in accordance with section 347(1) of the MGA. Due to the current economic situation, as well as others in similar situations, this decision could materially impact the budget as well as reserve balances. |
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| **Follow up Action** | 1. Notify the property owner of Council’s decision (Financial Services, February 2021). |
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| **Attachment(s)** | 1. Property Owner’s Presentation Materials 2. Bylaw 1422/18 – Penalties on Unpaid Municipal Taxes 3. Bylaw 1498/20 – 2020 Tax Penalty Bylaw Amendment for COVID-19 4. Reserve Policy |
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| **Report Reviewed by:** | Jeffrey Yanew, Manager, Utility and Waste Management Services  Tim Osborne, Acting Manager, Agriculture Services  Sabrina Duquette, Manager, Financial Services  Scott MacDougall, Chief Operations Officer - COO  Reegan McCullough, County Commissioner - CAO |

**Strategic Alignment Checklist**

**Vision:** *Sturgeon County: a diverse, active community that pioneers opportunities and promotes initiative while embracing rural lifestyles.*

**Mission:** *Provide quality, cost effective services and infrastructure to meet the diverse needs of the Sturgeon County community, while improving competitiveness and sustainability.*

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| **Focus Areas** | **Not consistent** | **N/A** | **Consistent** |
| **Planned Growth and Prosperity** |  |  |  |
| *We encourage varied and integrated enterprises that enhance our strong economic*  *base, while balancing the needs of the community and natural environment.*  *(Strategic Plan and MDP pg. 36)* |  |  |  |
| * *Supports a strong thriving business environment to strengthen our economic foundation* |  |  |  |
| * *Plans for responsible growth through the MDP and regional growth plan.* |  |  |  |
| * *Manages growth for current and future developments through:*   + *transparent bylaws, policies and processes to enable responsible land development* |  |  |  |
| * + *targeting growth around existing and identified future growth areas* |  |  |  |
| **Maintain and Enhance Strong Communities** |  |  |  |
| *We are committed to a safe and viable community, where our residents are*  *provided with access to opportunities and quality of life.*  *(Strategic Plan and pg. 27 MDP)* |  |  |  |
| * *Provides access to programs and services that have a positive impact on residents’ quality of life* |  |  |  |
| * *Provides access to safe and reliable infrastructure assets* |  |  |  |
| * *Supports the safety of people and property* |  |  |  |
| **Strong Local and Regional Governance** |  |  |  |
| *We promote consistent and accountable leadership through collaborative and*  *transparent processes (Strategic Plan and pg. 27 MDP)* |  |  |  |
| * *Provides effective leadership and management consistent with Strategic Plan, MDP, master plans, bylaws, policies, community engagement* |  |  |  |
| * *Considers fiscal stability and sustainability* |  |  |  |
| * *Fosters collaborative intergovernmental partnerships* |  |  |  |
| **Community Identity & Spirit** |  |  |  |
| *We will build upon our strengths, where together we will create an inclusive, caring community (Strategic Plan and MDP pg. 27)* |  |  |  |
| * *Promotes and/or enhances residents’ identification with Sturgeon County* |  |  |  |
| * *Support and/or collaborate with voluntary organizations in the region* |  |  |  |
| **Environmental Stewardship** |  |  |  |
| *We foster a healthy environment and minimize our impact on ecosystems. (Strategic Plan and MDP pg. 27)* |  |  |  |
| * *Plans and partnerships that minimize environmental impact on natural areas* |  |  |  |
| * *Provides awareness of environmental issues impacting the County* |  |  |  |